

CHAPMAN AND CUTLER LLP
111 West Monroe Street
Chicago, Illinois 60603
Telephone: (312) 845-3000
Facsimile: (312) 701-2361
James E. Spiotto (admitted pro hac vice)
Ann E. Acker (admitted pro hac vice)
Franklin H. Top, III (admitted pro hac vice)

-and-

CHAPMAN AND CUTLER LLP
330 Madison Avenue, 34th Floor
New York, New York 10017-5010
Telephone: (212) 655-6000
Craig M. Price

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

IN RE

LEHMAN BROTHERS HOLDINGS INC., ET AL.,

Debtors.

CHAPTER 11 CASE NO. 08-13555 (JMP)

(Jointly Administered)

AFFIDAVIT OF RALPH J. CREASIA JR., DONALD F. HIGGINS, AND JOHN G. LEURINI

The undersigned, Ralph Creasia, Donald Higgins, and John Leurini being first duly sworn on oath, and under penalties of perjury as provided for under the Federal Rules of Civil Procedure, deposes and states as follows:

1. We are presently employed by U.S. Bank National Association (the "Trustee" or "U.S. Bank"), as a Vice President and Assistant Vice President, respectively, based in our Boston, Massachusetts offices located at One Federal Street, Third Floor, Boston, Massachusetts, 02110. U.S. Bank National Association serves as indenture trustee for each of the indentures listed on the attached *Exhibit A*. In our capacities at U.S. Bank, we have responsibility for overseeing certain CDO and CBO transaction sponsored and/or originated by Lehman Brothers Holdings Inc., or one of its affiliates listed on the attached *Exhibit A*.

2. We have personal knowledge of the facts stated in this Affidavit, and are competent to testify to these facts if called to do so.

3. As set forth in the Motion, Lehman Brothers ABS Enhanced Libor, Ltd. (the "*Master Fund*") is a Cayman Islands company that acts as the exclusive investment vehicle for the Lehman Brothers ABS Enhanced LIBOR Fund (the "*Feeder Fund*"), and the only series of the Lehman Brothers Investment Management Trust (the "*Lehman Trust*"), a Cayman Islands unit trust. In March of last year, U.S. Bank received notice that the directors of the Master Fund decided to terminate the investment activities of the Master Fund based on their concerns that significant and contemporaneous redemptions in a short period of time could force the Master Fund to sell its portfolio securities at unfavorable prices, to the disadvantage of the Feeder Fund and its investors. Accordingly, the Master Fund determined to proceed with a fair and orderly liquidation of its holdings, suspend redemptions pending the liquidation and distribute all proceeds of such liquidation to the Feeder Fund, by way of a dividend. The Feeder Fund, in turn, would have made distributions to the Noteholders. U.S. Bank, as Trustee, immediately began to seek input and advice from Noteholders and Lehman Brothers Special Financing Inc. with respect to alternatives to the proposed action. To this end, U.S. Bank communicated with the

Noteholders in the following manner in connection with attempting to reach a resolution on issues relating to the management of the Master Fund: U.S. Bank sent (a) a Notice titled "Notice to Holders in the Transactions Regarding Receipt of Notice of Termination of Lehman Brothers ABS Enhanced LIBOR Fund" dated March 11, 2009, (b) a Notice titled "Request For Direction Regarding Notice of Termination of Lehman Brothers ABS Enhanced LIBOR Fund from the Trustee to the Holders in the Transactions (and certain other parties named therein)" dated March 27, 2009 requesting direction regarding a notice of termination of the Feeder Fund, and the Supplement thereto dated May 8, 2009, (c) a Notice titled "Notice to Holders in the Transactions (and certain other parties named therein)" dated April 22, 2009, (d) a Notice titled "Notice of Responses To Request For Direction Regarding Replacement Investment Manager Of Lehman Brothers ABS Enhanced LIBOR Fund from the Trustee to the Holders in the Transactions (and certain other parties named therein)" dated June 4, 2009, and (e) the notices entitled "Invitation to Noteholders to Participate In Conference Call" sent separately to Noteholders in each of the respective Transactions dated May 11, 2009. In addition U.S. Bank, as Indenture Trustee, hosted two conference calls with Noteholders to discuss matters relating to the termination of the Feeder Fund and the management of the Master Fund. The Notice sent to holders on or about June 4, 2009 notified holders of the voting results for the Replacement Manager and inviting holders to notify the Trustee by June 15, 2009 if they had any objection to TCW as the Replacement Manager.

4. On or about January 28, 2010, U.S. Bank filed its motion styled Motion of U.S. Bank National Association, as Trustee, Pursuant to Section 105(a) of the Bankruptcy Code Authorizing (I) The Withdrawal of Neuberger Berman Fixed Income LLC as the Investment Manager of Lehman Brothers ABS Enhanced LIBOR, Ltd., (II) The Withdrawal of the Directors

of Lehman Brothers ABS Enhanced LIBOR, Ltd., and the Replacement of Such Directors with Directors Designated by TCW Asset Management Company; (III) The Transfer of the Rights to Manage Lehman Brothers ABS Enhanced LIBOR, Ltd.'s Portfolio to TCW Asset Management Company; and (IV) The Exchange of Units in Lehman Brothers ABS Enhanced LIBOR Fund for Shares in Lehman Brothers ABS Enhanced LIBOR, Ltd. (the "*Motion*"). We understand that the Motion seeks approval of a change in the management of the Master Fund that serves as the specified investment for each of the Transactions listed on the attached *Exhibit A*.

5. This Affidavit is submitted to detail the efforts of U.S. Bank to notify holders of the Notes issued under the terms of the Indenture with respect to the Motion¹ and advising such holders of their ability to object to the relief sought therein.

6. The Notes issued under the Indentures are generally held in "street name" meaning that the Notes themselves are registered in the name of Cede & Company as the nominee for The Depository Trust Company. Holders may also have positions through a custodian or in the form of Certificates Notes or Preference Shares. On February 1, 2010, with the assistance of others in our office, a copy of the Notice attached hereto as *Exhibit B* was transmitted to The Depository Trust Company with instructions to forward the Notice on to its DTC Participants. A copy of the Notice was likewise sent by certified first class mail to all registered holders of the Notes.

¹ As noted above, holders of Notes were already familiar with the relief the Trustee is seeking in the Motion by virtue of a number of Notices and conference calls held with holders of Notes with respect to the alternatives available to the Noteholders in connection with the termination of the Feeder Fund and the management of the Master Fund, including the selection of the proposed replacement manager.

7. In addition, on February 1, 2010, with assistance of others in our office, the same Notice was posted on our Trust Investors Website (<http://www.usbank.com/abs>), which provides Noteholders (or parties who adequately identify themselves as beneficial owners of Notes) with access to information relating to the Indentures and the Trusts established thereby.

8. Finally, we caused a copy of the Notice to be sent to all Noteholders who have identified themselves to us by filling out, signing, and notarizing or medallion guaranteeing a Beneficial Ownership Certificate and providing us with an email address or a successor email address at which to contact them. The Notices were sent by electronic mail using the last electronic address that such Noteholders have provided to us.

9. We have not received any formal or informal objection to the Motion.

FURTHER AFFIANTS SAYETH NOT.

Donald E. Higgins

John Lewis

Bobby J. Lee

Subscribe and Sworn to before me
this 1st day of March 2010.

By David A. Hufnagle
Notary Public

My Commission Expires: July 20, 2012

David A. Hufnagle

Notary Public

Commonwealth of Massachusetts

County of Suffolk

My Commission Expires July 20, 2012

